

WS-04235A-13-0331



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ARIZONA CORPORATION COMM

UTILITY COMPLAINT FORM

RECEIVED

Investigator: Tom Davis

2014 SEP -4 A 10:17

Priority: Respond Within Five Days

Opinion No. 2014 - 118353

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Date: 9/3/2014

Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

ORIGINAL

Complaint By: First: Chris Last: Zambeck

Account Name: Chris Zambeck

Street: Work: (000) 000-0000

City: Flagstaff

State: AZ Zip: 86005 is: Cellular

Utility Company: Utility Source LLC

Division: Water/Sewer

Contact Name:

Nature of Complaint:

From: Util-PublicComment

Sent: Wednesday, August 20, 2014 10:41 AM  
OPPOSED

WS-04235A-13-0331

WATER/SEWER

Name: Chris Zambeck  
Date: 8/20/14

CityStateZip: Flagstaff, AZ 86005  
Cell:  
Docket: WS-04235A-13-0331  
DocketNo: WS-04235A-13-0331  
Utility: Utility Source  
Position: Con

Arizona Corporation Commission  
DOCKETED

SEP 4 2014

DOCKETED BY

Comments:

I am writing you today in regards to Utility Source, the water company in Bellemont, AZ. In October of 2012, I was contacted by Gary Bulichek (part owner of Utility Source) in regards to the property he co-owns and was attempting to sell to Loves Fuel Company. I was coordinating a community effort to stop the sale and construction of an additional truck stop at the Bellemont interchange. Mr. Bulichek and I met later that month at my home in Bellemont and had a 3 and a half hour conversation about why there was such a resistance from the community and how it would affect the future water rates in Bellemont. Mr. Bulichek stated that if the property he was selling to Loves did not sell and Loves did not build there, the community would have higher rates to compensate for Phase III not generating income. Mr. Bulichek stated that Loves would offset ALL of their revenue losses from Phase III (which is over 300 properties if I remember correctly) and there wouldn't be a need for a rate adjustment. I asked him how much water they anticipated Loves would use and he stated that they estimated Loves would use approximately 10,000 gallons of water per day. I then asked how many homes

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this is equivalent to and he stated that based on an average of 3,000-4,000 gallons of usage per home per month it would be the equivalent of approximately 30-40 homes. I quickly did the math and pointed out that according to his numbers Loves would only cover approximately 10% of their revenue losses. Mr. Bulichек then stated that even with Loves going in they were still going to seek a rate adjustment from the Corporation Commission. I asked him if Loves knew about the potential rate increase to which he replied that he had not discussed that with the Loves representative. This raised a huge red flag for me since I had just caught him in a lie where he attempted to bully me and subsequently other residents into believing that our support or Loves would "Save" us from a rate increase. Later, Mr. Bulichек pointed out that they were also taking steps to help curb the potential for a rate adjustment by building a filling station on one of their properties. I asked him what kind of water usage they were going to expect and how that would trickle down to the home and business owners in the area but he couldn't produce any numbers. I bring this up because it has come to my attention that they never notified the Corporation Commission or Coconino County of their intentions and have had the fill station built since around 6 months ago. On a personal note, I have had multiple issues with the company regarding my monthly bills. On one occasion earlier this year, I opened my bill from Utility Source to find a bill in excess of \$150 and a usage of over 8,000 gallons of water for one month. This particular bill came on a month when I was on a ten day vacation and no one was even at my house. I do not have a sprinkler or drip system, just household water usage for two adults and two small children. First thing I did was go looking for a water leak, never found one. Next, I pulled out all of my monthly statements and averaged my monthly usage for over one full year which came to approximately 4,000 gallons of use. Next, I went to my meter and checked the numbers. This is when I found part of the problem. The meter reading on my bill (which was dated 10 days earlier) was higher than the actual numbers on my meter and this was 10 days later! I called Utility Source three times over the next couple of days but never heard from them. I then called the Corporation Commission to see what the rules are for companies to average/estimate usage. I was told that companies are allowed to average/estimate water usage when inclement weather does not allow them to actually read a meter such as snow drifts over a meter. In this particular case, there was nothing to keep Utility Source from reading my meter. I then filed a complaint with the C.C. I promptly received a phone call from Utility Source once they received the complaint from the C.C. The representative, Mary, stated that there was no need to worry as the bills would adjust accordingly when they did their next meter reading. I attempted to discuss with her that because they charge 50% more per gallon above 4,000 gallons of use that they were charging me more for my water and it would in fact not be an accurate charge for my consumption over the two months. She simply could not or would not understand this and after a long and exhausting conversation, I simply gave up and ultimately ended up being over charged for my water. This is an ongoing problem with Utility Source. I have had conversations with all of my immediate neighbors and they all state that they have been over charged for their water on multiple occasions. The company is, at best, poorly managed and provide little to no customer service besides water delivery and frustration. Earlier this year we received a letter from Utility Source. It stated that they were applying for a rate adjustment and it included the estimated numbers of what it would cost the average home in Bellemont. The numbers were nothing short of obscene! I have since moved from Bellemont (6/2014) and the water issues played a significant role in our decision to leave. I feel bad for my former neighbors because having dealt directly with the owner and staff of Utility Source; I know that they will have to continue to deal with these reoccurring issues. In fact, just when I thought I had rid myself of dealing with them, I am currently going back and forth with them over a check they wrote me (to refund my deposit). They sent me two different checks with different amounts but put a "stop payment" on one of the checks. I deposited the checks and was charged \$32 dollars from my bank because one of the check was no good. I never received any form of notification from Utility Source that they had stopped payment on the check and my bank will not refund me the charge. Utility Source will not refund me the money because they already paid a fee to their bank to place the stop payment. I am having to pay the \$32 because they screwed up and neglected to notify me of their stop payment. To summarize, Utility Source is a severely mismanaged company that has been overcharging ("stealing") money from the residents of Bellemont. The Owners/developers have played a bait-and-switch on their customers and then have attempted to bully those who question or oppose them, particularly when it would benefit them financially. I feel that a thorough investigation into their books and business practices is warranted. Thank you for taking the time to read my concerns and I hope that Utility Source is handled appropriately. Sincerely, Chris Zambeck

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Utilities' Response:

Investigator's Comments and Disposition:

9/3/14: Entered for the record and docketed (also sent to company, see complaint # 118141) CLOSED

\*End of Comments\*

Date Completed: 9/3/2014

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